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PUBLIC SERVICE  
COMMISSION

August 20, 2012

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

Dear Mr. Derouen:

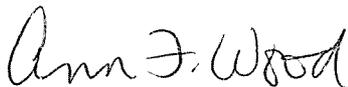
Re: East Kentucky Power Cooperative, Inc. Financial Information

In accordance with the Public Service Commission Order in Case No. 2006-00472,  
please find attached the following:

- Monthly accounting of expenses and revenues in a monthly format and a 12-month ended format
- Monthly budget information for calendar year 2012
- Calculation of TIER and DSC for the 12-month period ended July 31, 2012

If you have any questions, please contact me at (859) 745-9670.

Very truly yours,



Ann F. Wood  
Director, Regulatory Services

Attachments





**East Kentucky Power Cooperative**  
Budgeted Statement of Operations  
2012

|  | January             | February            | March               | April                | May                  | June                | July                | August              | September           | October              | November            | December            | Totals               |
|--|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|
| <b>STATEMENT OF OPERATIONS</b>                         |                     |                     |                     |                      |                      |                     |                     |                     |                     |                      |                     |                     |                      |
| <b>Electric Energy Revenues</b>                        |                     |                     |                     |                      |                      |                     |                     |                     |                     |                      |                     |                     |                      |
| Power Sales-Member Coops - Basic Rate                  | \$60,280,086        | \$71,557,133        | \$65,995,911        | \$63,656,719         | \$54,150,506         | \$60,377,618        | \$67,131,667        | \$66,068,253        | \$55,155,302        | \$53,869,869         | \$63,415,139        | \$77,268,048        | \$769,557,251        |
| Power Sales-Member Coops - Fuel Clause                 | 1,280,389           | 1,838,516           | (313,663)           | (809,713)            | (463,282)            | (460,784)           | 485,113             | 1,057,682           | 10,652,520          | 17,866               | 1,178,271           | 854,049             | 6,497,344            |
| Power Sales-Member Coops - Environmental Surcharge     | 8,531,506           | 8,656,977           | 8,948,025           | 9,948,025            | 9,156,581            | 9,144,365           | 10,076,326          | 1,000,752           | 1,008,529           | 1,064,609            | 1,042,642           | 1,050,472           | 11,237,545           |
| Power Sales-Member Coops - Steam                       | 1,164,637           | 1,120,421           | 1,070,018           | 994,259              | 1,017,447            | 1,071,128           | 1,073,017           | 1,753,448           | 61,124              | 693,122              | 367,084             | 1,865,625           | 12,851,409           |
| Power Sales - Off System                               | 1,602,688           | 1,215,849           | 1,190,568           | 1,161,899            | 1,592,283            | 1,600,000           | 1,600,000           | 209,754             | 212,551             | 175,843              | 194,613             | 243,249             | 2,851,000            |
| Wheeling Revenue                                       | 205,103             | 180,004             | 180,004             | 180,004              | 189,642              | 189,642             | 189,642             | 189,642             | 189,734             | 189,734              | 189,734             | 189,734             | 2,310,564            |
| Other Operating Revenue - Income                       | 35,264,072          | 35,264,072          | 35,264,072          | 35,264,072           | 35,264,072           | 35,264,072          | 35,264,072          | 35,264,072          | 35,264,072          | 35,264,072           | 35,264,072          | 35,264,072          | 352,640,720          |
| <b>Total Operating Revenue &amp; Patronage Capital</b> | <b>\$93,264,072</b> | <b>\$84,924,572</b> | <b>\$76,725,923</b> | <b>\$64,250,645</b>  | <b>\$65,121,632</b>  | <b>\$71,351,629</b> | <b>\$81,231,991</b> | <b>\$80,746,242</b> | <b>\$69,387,440</b> | <b>\$66,746,569</b>  | <b>\$77,204,677</b> | <b>\$91,465,817</b> | <b>\$923,311,268</b> |
| <b>Operation Expenses</b>                              |                     |                     |                     |                      |                      |                     |                     |                     |                     |                      |                     |                     |                      |
| Production Costs Excludes Fuel                         | \$5,944,920         | \$5,273,024         | \$5,408,725         | \$5,210,246          | \$5,170,420          | \$5,480,215         | \$6,351,589         | \$6,215,540         | \$5,767,444         | \$6,050,258          | \$5,881,095         | \$7,485,513         | \$70,236,691         |
| Fixed Costs  | 38,328,390          | 34,645,680          | 32,644,852          | 27,184,324           | 27,873,872           | 31,005,726          | 36,317,805          | 36,081,653          | 28,005,209          | 27,624,623           | 31,443,008          | 35,722,499          | 306,039,931          |
| Other Power Supply                                     | 7,352,621           | 6,624,080           | 3,651,259           | 3,379,356            | 3,044,828            | 3,050,084           | 2,980,570           | 2,856,065           | 4,602,982           | 3,587,996            | 4,302,897           | 6,146,646           | 59,269,446           |
| Transmission   | 3,584,882           | 3,446,250           | 3,541,068           | 3,246,490            | 3,298,245            | 3,766,941           | 3,424,871           | 3,470,933           | 3,456,770           | 3,761,357            | 3,223,666           | 3,891,197           | 42,662,690           |
| Distribution   | 114,975             | 114,995             | 128,655             | 111,288              | 151,140              | 144,430             | 126,328             | 127,912             | 121,544             | 126,326              | 122,166             | 117,903             | 1,513,633            |
| Customer Accounts                                      | 0                   | 0                   | 0                   | 0                    | 0                    | 0                   | 0                   | 0                   | 0                   | 0                    | 0                   | 0                   | 0                    |
| Customer Service & Information                         | 464,656             | 382,461             | 560,989             | 411,810              | 382,678              | 386,152             | 371,844             | 374,085             | 387,715             | 377,214              | 377,976             | 386,221             | 4,886,012            |
| Sales  | 7,242               | 3,875               | 11,860              | 4,053                | 3,806                | 3,806               | 3,711               | 3,788               | 4,183               | 3,935                | 3,932               | 4,147               | 50,688               |
| Administration and General                             | 3,659,055           | 3,018,035           | 3,274,954           | 2,897,817            | 2,872,250            | 2,872,250           | 3,271,011           | 2,941,068           | 1,701,205           | 1,774,543            | 2,028,246           | 1,779,126           | 33,928,334           |
| <b>Total Operation Expenses</b>                        | <b>\$59,656,941</b> | <b>\$53,508,400</b> | <b>\$49,242,392</b> | <b>\$42,419,306</b>  | <b>\$43,408,983</b>  | <b>\$46,863,923</b> | <b>\$53,797,796</b> | <b>\$52,051,495</b> | <b>\$44,053,052</b> | <b>\$43,296,254</b>  | <b>\$47,813,067</b> | <b>\$55,330,706</b> | <b>\$592,437,395</b> |
| <b>Maintenance Expenses</b>                            |                     |                     |                     |                      |                      |                     |                     |                     |                     |                      |                     |                     |                      |
| Production   | \$2,575,376         | \$3,951,805         | \$4,522,589         | \$7,284,142          | \$6,453,494          | \$5,372,479         | \$4,148,139         | \$4,065,261         | \$5,909,997         | \$7,697,136          | \$6,311,238         | \$4,973,704         | \$63,866,360         |
| Distribution   | 377,977             | 418,476             | 428,726             | 419,091              | 446,481              | 492,516             | 491,151             | 484,151             | 495,151             | 502,113              | 491,801             | 535,369             | 5,064,038            |
| General Plant  | 72,220              | 90,993              | 93,733              | 91,188               | 91,988               | 90,613              | 90,613              | 90,613              | 90,738              | 97,488               | 90,613              | 80,613              | 805,000              |
| Total Maintenance Expenses                             | \$3,317,973         | \$4,609,700         | \$5,167,484         | \$7,906,357          | \$7,117,409          | \$6,125,294         | \$4,922,888         | \$4,773,730         | \$6,595,691         | \$8,423,155          | \$6,994,357         | \$5,753,904         | \$71,881,912         |
| <b>Fixed Costs</b>                                     |                     |                     |                     |                      |                      |                     |                     |                     |                     |                      |                     |                     |                      |
| Depreciation/Amortization                              | \$6,253,378         | \$6,299,453         | \$6,287,321         | \$6,300,619          | \$6,334,896          | \$6,380,360         | \$7,655,472         | \$7,639,603         | \$7,640,400         | \$7,661,563          | \$7,679,931         | \$7,810,194         | \$63,877,850         |
| Taxes  | 0                   | 0                   | 0                   | 0                    | 0                    | 0                   | 0                   | 0                   | 0                   | 0                    | 0                   | 0                   | 800                  |
| Interest on Long-Term Debt                             | 10,566,869          | 10,563,130          | 10,572,230          | 10,762,439           | 10,765,472           | 10,762,084          | 10,813,802          | 10,813,287          | 10,809,582          | 10,937,541           | 10,925,728          | 10,928,069          | 129,220,296          |
| Interest During Construction                           | 22,167              | 22,167              | 22,167              | 22,167               | 22,167               | 22,167              | 22,167              | 22,167              | 22,166              | 22,166               | 22,166              | 22,166              | 266,000              |
| Other Interest Expense                                 | 6,605               | 6,605               | 6,605               | 6,605                | 6,605                | 6,605               | 6,605               | 6,605               | 6,605               | 6,605                | 6,605               | 6,605               | 66,050               |
| Other Capital Obligations                              | 49,975              | 44,608              | 138,653             | 56,371               | 45,488               | 173,639             | 47,534              | 43,257              | 169,507             | 44,974               | 43,257              | 210,342             | 1,752,800            |
| Other Deductions                                       | \$16,895,014        | \$16,895,863        | \$17,022,809        | \$17,148,201         | \$17,174,628         | \$17,344,664        | \$18,625,560        | \$18,525,019        | \$18,647,839        | \$18,672,839         | \$18,677,667        | \$18,963,379        | \$214,513,910        |
| <b>Total Fixed Costs</b>                               | <b>\$79,773,928</b> | <b>\$76,014,063</b> | <b>\$71,432,875</b> | <b>\$67,489,944</b>  | <b>\$67,701,020</b>  | <b>\$70,337,081</b> | <b>\$77,246,234</b> | <b>\$75,350,244</b> | <b>\$69,294,673</b> | <b>\$70,392,248</b>  | <b>\$73,475,111</b> | <b>\$81,051,906</b> | <b>\$878,539,207</b> |
| <b>Total Cost of Electric Service</b>                  | <b>\$13,490,143</b> | <b>\$9,910,509</b>  | <b>\$5,283,248</b>  | <b>\$3,216,299</b>   | <b>\$4,579,527</b>   | <b>\$1,244,748</b>  | <b>\$4,045,757</b>  | <b>\$5,395,997</b>  | <b>\$692,767</b>    | <b>(\$3,645,679)</b> | <b>\$3,729,566</b>  | <b>\$10,413,831</b> | <b>\$44,772,051</b>  |
| <b>Operating Margins</b>                               |                     |                     |                     |                      |                      |                     |                     |                     |                     |                      |                     |                     |                      |
| Interest Income  | \$98,989            | \$95,694            | \$98,637            | \$97,681             | \$98,674             | \$97,518            | \$98,136            | \$99,054            | \$87,897            | \$80,866             | \$79,710            | \$80,711            | \$1,094,777          |
| Allowance for Funds used for Construction              | (6,303)             | (7,449)             | (6,063)             | (6,449)              | (6,423)              | (6,423)             | (6,321)             | (6,805)             | (6,521)             | (6,305)              | (6,813)             | (6,304)             | (81,715)             |
| Other Non-Operating Income                             | 6,250               | 6,250               | 6,250               | 6,250                | 6,250                | 6,250               | 6,250               | 6,250               | 6,250               | 6,250                | 6,250               | 6,250               | 62,500               |
| Other Capital Credits/Patronage Dividends              | \$84,485            | \$84,485            | \$84,485            | \$84,485             | \$84,485             | \$84,485            | \$84,485            | \$84,485            | \$84,485            | \$84,485             | \$84,485            | \$84,485            | \$844,485            |
| <b>Total Non-Operating Items</b>                       | <b>\$13,569,089</b> | <b>\$10,005,004</b> | <b>\$5,391,976</b>  | <b>(\$3,124,431)</b> | <b>(\$2,481,562)</b> | <b>\$1,342,093</b>  | <b>\$4,134,822</b>  | <b>\$5,384,496</b>  | <b>\$760,593</b>    | <b>(\$3,564,869)</b> | <b>\$3,808,713</b>  | <b>\$10,494,488</b> | <b>\$45,960,123</b>  |